

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2880 - HB 3145

February 28, 2012

**SUMMARY OF BILL:** Removes county eligibility to receive state-shared fuel taxes from the Department of Revenue and grant funds from the Tennessee Department of Transportation (TDOT) if the chief administrative officer of the county highway department is fully or partially exempt from the qualifications set forth in Tenn. Code Ann. § 54-7-104 (b)(1)(A). Funds withheld from ineligible counties will be reallocated to counties that are eligible.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – There will be a shift in grant funds and state-shared fuel tax revenue from the 16 counties deemed ineligible to the remaining 79 eligible counties. The net fiscal impact to local government will be not significant.**

Assumptions:

- Currently, there are 16 counties that are fully or partially exempt from Tenn. Code Ann. § 54-7-104 (b)(1)(A): Bledsoe, Carroll, Claiborne, Clay, Dyer, Hancock, Hawkins, Jackson, Macon, Maury, Monroe, Perry, Stewart, Wayne, Williamson, and Wilson.
- State-shared fuel tax revenue and grant funds from TDOT will be withheld from these 16 counties and reallocated to the remaining 79 counties who are eligible.
- According to the Department of Revenue's state-shared fuel tax data reporting from August 2010 to July 2011, the combined taxes from these 16 counties was \$457,303.
- There will be a shift of revenue and grant funds between counties; however, the net fiscal impact to local government will be not significant.
- According to TDOT, the fiscal impact to the Department will be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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